

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PEOPLES NATURAL GAS COMPANY,  
DIVISION OF UTILICORP UNITED INC.

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FE DOCKET NO. 92-133-NG

ORDER GRANTING LONG-TERM AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 707

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NOVEMBER 12, 1992

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## I. DESCRIPTION OF REQUEST

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On October 29, 1992, Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Peoples) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), requesting authorization to import up to 6,000 Mcf of natural gas per day on a firm basis and up to 25,000 Mcf of natural gas per day on an interruptible basis from Canada for a term extending from January 1, 1993, through November 1, 1995. Peoples, a Delaware corporation with its headquarters in Council Bluffs, Iowa, is a local distribution company serving customers in the States of Iowa, Minnesota, Nebraska, Colorado, Kansas, Michigan and South Dakota. UtiliCorp United Inc. is a Delaware corporation with its headquarters in Kansas City, Missouri.

Peoples will purchase the gas to be imported pursuant to a gas sales contract with Western Gas Marketing USA Ltd. (Western), an affiliate of TransCanada PipeLine Company, Limited (TransCanada). The rate paid by Peoples to Western is competitive with alternative sources of natural gas and is subject to annual adjustment through renegotiation. TransCanada will transport the gas to an existing interconnection with Great Lakes Transmission Company located at the international border near Noyes, Minnesota/Emerson, Manitoba.

## II. FINDING

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The application filed by Peoples has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA, as amended by

section 201 of The Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), an import of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Peoples to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest.

ORDER

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For reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Peoples) is authorized to import near Noyes, Minnesota up to 6,000 Mcf of Canadian natural gas per day on a firm basis and up to 25,000 Mcf of Canadian natural gas per day on an interruptible basis for a term extending from January 1, 1993, through November 1, 1995.

B. Within two weeks after deliveries begin, Peoples shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Peoples shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports

indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Peoples must report separately for firm and interruptible supplies, the monthly total volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the per unit (MMBtu) demand/commodity charge breakdown of the price if applicable. For the interruptible supplies, the reports shall provide: (1) the name of the U.S. transporter(s); (2) the point(s) of entry; and (3) the geographic market(s) served.

D. The first quarterly report required by Paragraph C of this Order is due not later than April 30, 1993, and should cover the period from January 1, 1993, until the end of the calendar quarter, March 31, 1993.

Issued in Washington, D.C., on November 12, 1992.

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Charles F. Vacek  
Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy